

(Translation)

(F53-4)

**Capital Increase Report Form**  
**Stark Corporation Public Company Limited**  
**6 November 2020**

We, Stark Corporation Public Company Limited (the “Company”), hereby report on the resolutions of the Board of Directors’ Meeting No. 9/2020, which was held on 5 November 2020, regarding the capital reduction, capital increase and newly issued shares allocation as follows:

**1. Capital Reduction and Capital Increase**

- 1.1 The Board of Directors’ Meeting resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 2/2020, which will be held on 17 December 2020, to consider approving the reduction of the Company’s registered capital by THB 240,000,000 from the existing registered capital of THB 12,146,404,955.50 to THB 11,906,404,955.50 with a par value of THB 0.50 per share by cancelling the unsold shares in the amount of 480,000,000 shares with a par value of THB 0.50 per share, remaining from the public offering of newly issued ordinary shares according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2019, held on 11 April 2019.
- 1.2 The Board of Directors’ Meeting resolved to propose the Extraordinary General Meeting of Shareholders No. 2/2020, which will be held on 17 December 2020, to consider approving the increase of the Company’s registered capital by THB 3,968,801,651.50 from the existing registered capital of THB 11,906,404,955.50 to THB 15,875,206,607 by issuing not exceeding 7,937,603,303 newly issued ordinary shares with a par value of THB 0.50 per share (before the change of the par value by way of reverse stock split), totaling THB 3,968,801,651.50 (which is equivalent to the issuance of newly issued ordinary shares in the amount of 3,968,801,651 shares with a par value of THB 1.00 per share (after the change of the par value by way of reverse stock split)).
- 1.3 The Board of Directors’ Meeting resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 2/2020, which will be held on 17 December 2020, to consider approving the change of the par value of the Company’s shares from THB 0.50 per share to THB 1.00 per share, with the details as follows:

	<u>Before</u> change of par value (THB)	<u>After</u> change of par value (THB)
1. Registered capital*	15,875,206,607	15,875,206,607
2. Issued and paid-up capital	11,906,404,955.50	11,906,404,956

	<u>Before</u> change of par value (THB)	<u>After</u> change of par value (THB)
3. Par value	0.50	1.00
4. Number of shares	31,750,413,214	15,875,206,607

Upon completion of the registration for change of the par value of the Company's shares, the number of its registered capital and the number of the ordinary shares to accommodate the exercise of the STARK-W1 Warrants will be amended to be in line with the change of the par value of the Company's shares from Clause 1.2 of this document to the new registered capital of THB 15,875,206,607, divided into 15,875,206,607 newly issued ordinary shares with a par value of THB 1.00 per share, totaling THB 15,875,206,607, as per the following details:

(1) Allocating to the private placement investor

Capital Increase	Type of Shares	Amount of Shares	Par Value (THB per share)	Total (THB)
<input checked="" type="checkbox"/> Specific Purpose of Use of Proceeds	Ordinary Shares	1 share	THB 0.50 (before the change of the par value by way of reverse stock split)	THB 0.50
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

(2) Allocation to accommodate the exercise of the STARK-W1 Warrants

Capital Increase	Type of Shares	Amount of Shares*	Par Value* (THB per share)	Total* (THB)
<input checked="" type="checkbox"/> Specific Purpose of Use of Proceeds	Ordinary Shares	Not exceeding 3,968,801,651 shares	THB 1.00 (after the change of the par value by way of reverse stock split)	THB 3,968,801,651
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

*\*Remark: The amount of shares and par value as indicated above are amount after the change of the par value by way of reverse stock split.*

2. Allocation of Newly issued Shares

2.1 Specific Purpose of Use of Proceeds

Allocation to	Amount of Shares	Ratio (Old : New)	Offering Price (THB per share)	Share Subscription and Payment Date and Time	Remark
Rights Offering	-	-	-	-	-
Public Offering	-	-	-	-	-
Private Placement Investor, namely Mr. Vonnarat Tangkaravakoon ("Mr. Vonnarat")	1	-	Market price (no discount)	To be specified by the Board of Directors or the person authorized by the Board of Directors	Please see remark 1

Allocation to	Amount of Shares	Ratio (Old : New)	Offering Price (THB per share)	Share Subscription and Payment Date and Time	Remark
To accommodate the exercise of the warrants to purchase ordinary shares of the Company Series 1 (the "STARK-W1 Warrants") issued to the existing shareholders in proportion to their shareholding percentage	Not exceeding 3,968,801,651 shares	3 : 1	0.00	-	Please see remarks 2-3

**Remarks:**

- The Board of Directors' Meeting resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 2/2020 to consider approving the allocation of 1 newly issued ordinary share with a par value of THB 0.50 per share (before the change of the par value by way of reverse stock split) to accommodate for the change of the par value of the Company's shares by way of reverse stock split to prevent any fraction of shares after the change of the par value by way of reverse stock split for offering by way of private placement, namely Mr. Vonnarat, who is a connected person of the Company, in the amount of 1 newly issued ordinary share at the market price (no discount), whereby the transaction size is not subject to the disclosure requirement in accordance with the rules on connected transactions by listed companies.

The issuance of such newly issued ordinary shares is an offering of shares where the shareholders has resolved to authorize the Board of Directors or the person authorized by the Board of Directors to have the power to determine the offering price at the market price (no discount) pursuant to the requirements the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated 28 October 2015 (as amended) (the "Notification No. TorJor. 72/2558"). The offering price shall be the best price in accordance with the market condition at the time of offering to private placement investor, and shall be the price which maintains the best interest of the existing shareholders of the Company.

In addition, the Board of Directors' Meeting resolved to grant approval to propose the Shareholders' Meeting to consider authorizing the Board of Directors or the Chairman of the Board of Directors or the Chief Executive Officer and/or the person authorized by the Board of Directors or the Chairman of the Board of Directors or the Chief Executive Officer to take any arrangements in relation to the issuance, offering, allocation and subscription for such newly issued ordinary shares, including the following matters:

- (1) To determine, amend, add details relating to the issuance, offering, allocation and subscription for the newly issued ordinary shares, the offering date of the newly issued ordinary shares, and the payment method for the newly issued ordinary shares (which may consider determining the allocation and subscription period on a single or several occasions), including such arrangements relating to the issuance, offering, allocation and subscription for such newly issued ordinary shares, and relevant information filing and disclosure to the Stock Exchange of Thailand ("SET");
  - (2) To sign, amend, change, contact or report any information in the applications and evidence necessary for and in connection with the issuance, offering, allocation, subscription and delivery of such newly issued ordinary shares, including contact and filing of the applications, documents and evidence with the Ministry of Commerce, the Office of the Securities and Exchange Commission (the "SEC Office"), SET, government agencies or other relevant authorities, and the listing of the Company's newly issued ordinary shares on SET, and to have the authority to take any other actions as deemed necessary and appropriate to ensure the successful completion of the Company's issuance, offering and allocation of the newly issued ordinary shares by way of private placement.
2. The Board of Directors' Meeting resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 2/2020 to consider approving the allocation of not exceeding 3,968,801,651 newly issued ordinary shares with a par value of THB 1.00 per share (after the change of the par value by way of reverse stock split) to accommodate the exercise of the STARK-W1 Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage at the ratio of 3 existing ordinary shares to 1 unit of the STARK-W1 Warrants (the allocation ratio is calculated from the number of shares after the change of the par value by way of reverse stock split), at the offering price of the STARK-W1 Warrants at THB -0.00- per unit, whereby the right to be allocated with the STARK-W1 Warrants shall remain uncertain until approved by the Extraordinary General Meeting of Shareholders. Should there be any fraction of the STARK-W1 Warrants remaining from the calculation at the allocation ratio, such fraction shall be discarded. Please refer to further details in the Summary of Preliminary Details of the STARK-W1 Warrants in Enclosure 3.

3. For the purpose of allocation of newly issued ordinary shares to accommodate the exercise of the STARK-W1 Warrants, the Board of Directors' Meeting resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 2/2020 to consider authorizing the Board of Directors or the Chairman of the Board of Directors or the Chief Executive Officer and/or the person appointed and assigned by the Board of Directors or the Chairman of the Board of Directors or the Chief Executive Officer to have the power to determine or change details and conditions as necessary for and/or in connection with the issuance and allocation of the STARK-W1 Warrants in all respects, including the power to take any relevant or necessary actions as appropriate to ensure the successful issuance and offering of the STARK-W1 Warrants, subject to the requirements of applicable laws and the scope of approval by the Extraordinary General Meeting of Shareholders, the details of which includes, but is not limited to:
- (a) preparation of the terms and conditions of the STARK-W1 Warrants, including determination of details relating to the offering of the STARK-W1 Warrants, etc.;
  - (b) provision of information, contact, preparation, execution, delivery, submission of documents as necessary for or in connection with the issuance and offering of the STARK-W1 Warrants to the SEC Office, SET, Thailand Securities Depository Co., Ltd., Ministry of Commerce and other relevant authorities or persons;
  - (c) listing of the warrants and ordinary shares arising from the exercise of the STARK-W1 Warrants on SET;
  - (d) appointment of sub-attorney-in-fact to have the power to take any actions as necessary and appropriate in relation to the issuance and offering of the STARK-W1 Warrants to ensure the successful issuance and offering of the STARK-W1 Warrants in all respects;
  - (e) registration for change of the paid-up capital with the Department of Business Development, Ministry of Commerce, with the power to take all necessary actions in accordance with the Registrar's order to complete the registration;
  - (f) scheduling and change of the record date to determine the list of shareholders entitled to be allocated with the STARK-W1 Warrants.

**2.1.1 The Company's arrangements with any fraction of shares**

Should there be any fraction of shares from the allocation of newly issued ordinary shares and the exercise of the STARK-W1 Warrants, such fraction shall be discarded.

## 2.2 General Mandate

Allocation to	Type of Securities	Amount of Shares	Percentage of Paid-up Capital <sup>1/</sup>	Remark
Existing Shareholders  To accommodate the conversion/exercise of the transferable warrants to purchase newly issued shares	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
		-	-	-
Public Offering	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
Private Placement	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

<sup>1/</sup> The percentage of the paid-up capital as of the date on which the Board of Directors resolved to increase its capital under general mandate.

### 3. Schedule for the Shareholders' Meeting for Approval of the Capital Increase and Newly Issued Share Allocation

The Extraordinary General Meeting of Shareholders No. 2/2020 is scheduled to be held on 17 December 2020 at 14.00 hours at the Pinnacle Rooms 1-3, 4<sup>th</sup> Floor, Intercontinental Bangkok Hotel, 973 Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok, whereby:

- The share register shall be closed to suspend any share transfer for the right to attend the Shareholders' Meeting from.....until the Shareholders' Meeting is adjourned.
- The record date to determine the list of shareholders entitled to attend the Shareholders' Meeting shall be 20 November 2020.

### 4. Approval for Capital Increase / Newly Issued Share Allocation from Relevant Authorities and Conditions of Such Approval

- 4.1 The Company shall apply for registration of the capital reduction, capital increase, amendment of the Memorandum of Association and change of the paid-up capital with the Department of Business Development, Ministry of Commerce.
- 4.2 The Company shall apply for approval from SET for listing of the newly issued shares as listed securities on SET under the applicable rules and regulations.

**5. Purpose of Capital Increase and Use of Proceeds from the Capital Increase**

5.1 Should the shareholders exercise their rights to purchase the newly issued ordinary shares according to the STARK-W1 Warrants in full, the Company will be able to derive proceeds in the amount of approximately THB 20,000 million (which is calculated from the amount of shares after the change of the par value by way of reverse stock split). The Company plans to use such proceeds to prepare for and ensure its financial flexibility for business expansion in the future and as working capital in its business operations.

5.2 Since the Company plans to change its par value by way of reverse stock split from THB 0.50 per share to THB 1.00 per share. Therefore, the capital increase by way of private placement on this occasion shall proceed to ensure that the Company's registered capital is appropriate to prepare for the change of the par value and to prevent any fraction of shares after the change of the par value.

**6. Expected Benefits to the Company from the Capital Increase / Newly Issued Share Allocation**

6.1 The Company will have funds for further expansion of its business in the future.

6.2 The Company will have more liquidity in the form of working capital from the proceeds from the capital increase.

6.3 The capital increase by way of private placement on this occasion will prevent any fraction of shares after the change of the par value by way of reverse stock split.

The above plan for use of proceeds complies with the Company's current business plan in respect of the allocation of proceeds from this offering of newly issued shares. However, the number of newly issued ordinary shares to be exercised under the STARK-W1 Warrants and actual payments may be less than the number of shares intended to be offered by the Company, and as such, the Company may receive less proceeds than planned, in which case, the Company's plan for use of proceeds may be different from the plan for use of proceeds as specified in Item 5 above.

**7. Expected Benefits to the Shareholders from the Capital Increase / Newly Issued Share Allocation**

7.1 Dividend Payment Policy

The Company has a policy to pay dividends to the shareholders at the rate not less than 50 percent of its net profits based on the Company's separate financial statements after tax and statutory reserve as required by law, other reserves (if any) and commitments under the conditions of the loan agreements, whereby the Company shall consider the dividend payment by taking into



account various factors in the best interest to the shareholders, provided that such dividend payment shall not materially affect the ordinary course of business of the Company.

The rate of dividend payment is subject to change, depending on performance, necessity and other justifications in the future of the Company, other factors relating to the Company's operations and administration, provided that the Company shall have sufficient cash to operate its business and such arrangements must be in the best interest to the shareholders by resolution of the Board of Directors for declaration of annual dividends, and such resolution of the Board of Directors must be proposed to seek approval from the shareholders' meeting, except for interim dividends, which the Board of Directors is authorized to approve and report such dividend payment to the next shareholders' meeting for information. Should the Company still have any accumulated loss, no dividends shall be paid, unless otherwise specified in the Articles of Association in respect of preferred shares. Dividends shall be paid equally according to the number of shares, subject to approval from the shareholders' meeting.

7.2 Holders of the STARK-W1 Warrants shall hold the status as the Company's shareholders only after the Company has duly registered the change of its paid-up capital with the Department of Business Development, and if the Company declares any dividends, they shall also be entitled to such dividends in their capacity as the Company's shareholders.

**8. Other Details Essential for the Shareholders' Decision on Approval of the Capital Increase / Newly Issued Share Allocation**

Please refer to the conditions and further details in the Summary of Preliminary Details of the STARK-W1 Warrants in Enclosure 3 and the Information Memorandum on Allocation of Newly issued Ordinary Shares for Private Placement and for Exercise of the Warrants to Purchase Ordinary Shares of Stark Corporation Public Company Limited Series 1 (STARK-W1) in Enclosure 4.

**9. Schedule of Actions after the Board of Directors' Resolution to Approve the Capital Increase / Newly Issued Share Allocation**

Procedures	Day/Month/Year
1. The Board of Directors' Meeting No. 9/2020 passes its resolution on the capital increase and newly issued share allocation	5 November 2020

Procedures	Day/Month/Year
2. The record date to determine the list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 2/2020	20 November 2020
3. The Extraordinary General Meeting of Shareholders No. 2/2020	17 December 2020
4. The date for allocation of newly issued ordinary shares by way of private placement	By December 2020
5. Registration of the registered capital reduction, the registered capital increase, and the amendment of the Company's Memorandum of Association with the Ministry of Commerce	Within 14 days from the date of the resolution of the Shareholders' Meeting
6. The record date to determine the list of shareholders entitled to be allocated with the STARK-W1 Warrants	The Board of Directors or the Chairman of the Board of Directors or the Chief Executive Officer and/or the person appointed and assigned by the Board of Directors or the Chairman of the Board of Directors or the Chief Executive Officer shall be authorized to determine by resolution of the Extraordinary General Meeting of Shareholders.

The Company hereby certifies that the information in this report is correct and complete in all respects.

*-Mr. Sathar Chantrasettalead-*

(Mr. Sathar Chantrasettalead)

Director